

# **SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES**

**Condensed Consolidated Financial Statements  
For the six months and full year ended 31 December 2023**

## **Table of Contents**

A. Condensed statement of profit or loss and other comprehensive income .....	1
B. Statements of financial position .....	2
C. Statements of changes in equity .....	3
D. Consolidated statement of cash flows .....	5
E. Notes to the condensed consolidated financial statements.....	6
F. Other information required by Listing Rule Appendix 7.2 .....	16

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## A. Condensed Statement of Profit or Loss and Other Comprehensive Income

	Note	Group			Group		
		6 months	6 months	Increase/ (Decrease)	12 months	12 months	Increase/ (Decrease)
		ended 31 Dec 2023 S\$'000	ended 31 Dec 2022 S\$'000		ended 31 Dec 2023 S\$'000	ended 31 Dec 2022 S\$'000	
Revenue	3	31,494	25,072	25.6%	66,230	51,570	28.4%
Cost of sales		(22,196)	(18,515)	19.9%	(47,798)	(38,731)	23.4%
<b>Gross profit</b>		<b>9,298</b>	<b>6,557</b>	<b>41.8%</b>	<b>18,432</b>	<b>12,839</b>	<b>43.6%</b>
Other operating income		1,949	995	95.9%	2,979	1,512	97.0%
Selling expenses		(174)	(309)	(43.7%)	(396)	(477)	(17.0%)
Administrative expenses		(5,382)	(5,113)	5.3%	(10,473)	(9,290)	12.7%
Other operating (expenses)/income		(226)	65	NM	(585)	(125)	368.0%
Finance costs		(99)	(38)	160.5%	(183)	(64)	185.9%
<b>Profit before income tax</b>	5	<b>5,366</b>	<b>2,157</b>	<b>148.8%</b>	<b>9,774</b>	<b>4,395</b>	<b>122.4%</b>
Income tax expense	4	(683)	(257)	165.8%	(1,779)	(744)	139.1%
<b>Profit for the period</b>		<b>4,683</b>	<b>1,900</b>	<b>146.5%</b>	<b>7,995</b>	<b>3,651</b>	<b>119.0%</b>
<b>Profit attributable to:</b>							
Owners of the Company		4,683	1,900	146.5%	7,995	3,651	119.0%
Non-controlling interests		-	-	-	-	-	-
		<b>4,683</b>	<b>1,900</b>	<b>146.5%</b>	<b>7,995</b>	<b>3,651</b>	<b>119.0%</b>
<b>Earnings per share (cents):</b>	12						
Basic		4.20	1.68	150.0%	7.12	3.22	121.1%
Diluted		4.20	1.68	150.0%	7.12	3.22	121.1%
<b>Profit for the period</b>		<b>4,683</b>	<b>1,900</b>	<b>146.5%</b>	<b>7,995</b>	<b>3,651</b>	<b>119.0%</b>
<b>Other comprehensive (loss)/income:</b>							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(333)	(1,523)	(78.1%)	(1,016)	(2,041)	(50.2%)
<i>Item that will not be reclassified subsequently to profit or loss</i>							
Fair value gain arising from financial assets at fair value through other comprehensive income (FVTOCI)		200	-	100%	200	-	100%
<b>Total comprehensive income for the period</b>		<b>4,550</b>	<b>377</b>	<b>1106.9%</b>	<b>7,179</b>	<b>1,610</b>	<b>345.9%</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		4,550	377	1106.9%	7,179	1,610	345.9%
Non-controlling interests		-	-	-	-	-	-
		<b>4,550</b>	<b>377</b>	<b>1106.9%</b>	<b>7,179</b>	<b>1,610</b>	<b>345.9%</b>

NM: Not Meaningful

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## B. Statements of Financial Position

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		Dec 2023	Dec 2022	Dec 2023	Dec 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		44,638	38,051	22,310	21,259
Trade receivables		11,735	9,453	12,469	14,971
Other receivables and prepayments		1,238	2,711	2,223	2,818
Lease receivables		-	-	176	96
Inventories		3,990	5,744	2,572	3,644
Financial assets at fair value through profit or loss		-	1,800	-	1,800
<b>Total current assets</b>		<b>61,601</b>	<b>57,759</b>	<b>39,750</b>	<b>44,588</b>
<b>Non-current assets</b>					
Property, plant and equipment	6	61,838	63,893	48,440	36,799
Right-of-use assets	7	3,332	3,604	3,173	3,358
Lease receivables		-	-	-	176
Investment in subsidiaries		-	-	10,357	21,282
Financial assets at fair value through profit or loss (FVTPL)		349	430	349	430
Financial assets at fair value through other comprehensive income		700	-	700	-
Other assets		10	10	10	10
<b>Total non-current assets</b>		<b>66,229</b>	<b>67,937</b>	<b>63,029</b>	<b>62,055</b>
<b>Total Assets</b>		<b>127,830</b>	<b>125,696</b>	<b>102,779</b>	<b>106,643</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bills payable	9	-	1,135	-	1,135
Derivative financial instruments		2	138	2	138
Trade payables		1,044	992	12,045	9,270
Other payables		4,689	3,045	4,463	8,270
Lease liabilities	9	2,914	2,038	2,914	2,038
Income tax payable		1,308	313	421	153
<b>Total current liabilities</b>		<b>9,957</b>	<b>7,661</b>	<b>19,845</b>	<b>21,004</b>
<b>Non-current liabilities</b>					
Lease liabilities	9	5,806	6,232	5,806	6,232
Deferred tax liabilities		5,864	7,063	4,150	3,650
<b>Total non-current liabilities</b>		<b>11,670</b>	<b>13,295</b>	<b>9,956</b>	<b>9,882</b>
<b>Capital and reserves</b>					
Share capital	10	41,846	41,846	41,846	41,846
Retained earnings		76,809	72,783	33,270	34,502
Treasury shares	11	(2,338)	(591)	(2,338)	(591)
Translation reserves		(9,391)	(8,375)	-	-
Capital reserve		(923)	(923)	-	-
Fair value reserve		200	-	200	-
<b>Total equity attributable to owners of the Company</b>		<b>106,203</b>	<b>104,740</b>	<b>72,978</b>	<b>75,757</b>
<b>Total Equity and Liabilities</b>		<b>127,830</b>	<b>125,696</b>	<b>102,779</b>	<b>106,643</b>

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## C. Statements of Changes in Equity

<b>Group</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Translation reserves S\$'000</b>	<b>Capital reserve S\$'000</b>	<b>Fair value reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total equity S\$'000</b>
<b>2023</b>							
Balance at 1 January 2023	41,846	(591)	(8,375)	(923)	-	72,783	104,740
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	3,312	3,312
Other comprehensive loss for the period	-	-	(683)	-	-	-	(683)
<i>Transactions with owners, recognised directly in equity</i>							
Repurchase of shares	-	(253)	-	-	-	-	(253)
Dividends paid	-	-	-	-	-	(3,969)	(3,969)
<b>Balance at 30 June 2023</b>	<b>41,846</b>	<b>(844)</b>	<b>(9,058)</b>	<b>(923)</b>	<b>-</b>	<b>72,126</b>	<b>103,147</b>
Balance at 1 July 2023	41,846	(844)	(9,058)	(923)	-	72,126	103,147
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	4,683	4,683
Other comprehensive (loss)/income for the period	-	-	(333)	-	200	-	(133)
<i>Transaction with owners, recognised directly in equity</i>							
Repurchase of shares	-	(1,494)	-	-	-	-	(1,494)
<b>Balance at 31 December 2023</b>	<b>41,846</b>	<b>(2,338)</b>	<b>(9,391)</b>	<b>(923)</b>	<b>200</b>	<b>76,809</b>	<b>106,203</b>
<b>2022</b>							
Balance at 1 January 2022	41,846	(591)	(6,334)	(923)	-	74,803	108,801
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	1,751	1,751
Other comprehensive loss for the period	-	-	(518)	-	-	-	(518)
<i>Transaction with owners, recognised directly in equity</i>							
Dividends paid	-	-	-	-	-	(5,671)	(5,671)
<b>Balance at 30 June 2022</b>	<b>41,846</b>	<b>(591)</b>	<b>(6,852)</b>	<b>(923)</b>	<b>-</b>	<b>70,883</b>	<b>104,363</b>
Balance at 1 July 2022	41,846	(591)	(6,852)	(923)	-	70,883	104,363
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	1,900	1,900
Other comprehensive loss for the period	-	-	(1,523)	-	-	-	(1,523)
<b>Balance at 31 December 2022</b>	<b>41,846</b>	<b>(591)</b>	<b>(8,375)</b>	<b>(923)</b>	<b>-</b>	<b>72,783</b>	<b>104,740</b>

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### C. Statements of Changes in Equity (cont'd)

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>2023</b>					
Balance at 1 January 2023	41,846	(591)	-	34,502	75,757
Profit for the period, representing total comprehensive income for the period	-	-	-	928	928
<i>Transactions with owners, recognised directly in equity</i>					
Repurchase of shares	-	(253)	-	-	(253)
Dividends paid	-	-	-	(3,969)	(3,969)
Balance at 30 June 2023	<u>41,846</u>	<u>(844)</u>	<u>-</u>	<u>31,461</u>	<u>72,463</u>
Balance at 1 July 2023	41,846	(844)	-	31,461	72,463
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	1,809	1,809
Other comprehensive income for the period	-	-	200	-	200
<i>Transaction with owners, recognised directly in equity</i>					
Repurchase of shares	-	(1,494)	-	-	(1,494)
<b>Balance at 31 December 2023</b>	<b><u>41,846</u></b>	<b><u>(2,338)</u></b>	<b><u>200</u></b>	<b><u>33,270</u></b>	<b><u>72,978</u></b>
<b>2022</b>					
Balance at 1 January 2022	41,846	(591)	-	42,162	83,417
Profit for the period, representing total comprehensive income for the period	-	-	-	1,423	1,423
<i>Transaction with owners, recognised directly in equity</i>					
Dividends paid	-	-	-	(5,671)	(5,671)
Balance at 30 June 2022	<u>41,846</u>	<u>(591)</u>	<u>-</u>	<u>37,914</u>	<u>79,169</u>
Balance at 1 July 2022	41,846	(591)	-	37,914	79,169
Loss for the period, representing total comprehensive loss for the period	-	-	-	(3,412)	(3,412)
<b>Balance at 31 December 2022</b>	<b><u>41,846</u></b>	<b><u>(591)</u></b>	<b><u>-</u></b>	<b><u>34,502</u></b>	<b><u>75,757</u></b>

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## D. Consolidated Statement of Cash Flows

	Group	
	12 months ended 31 Dec 2023 S\$'000	12 months ended 31 Dec 2022 S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	9,774	4,395
Adjustments for:		
Unrealised fair value (gain)/loss from derivative financial instruments	(136)	38
Depreciation of property, plant & equipment	6,452	6,825
Depreciation of right-of-use assets	272	266
Impairment loss/(reversal of impairment loss) on financial assets	201	(69)
Interest expense	183	64
Interest income	(1,120)	(337)
Net unrealised foreign exchange gain	(12)	(162)
Bad debts written off	86	-
Property, plant and equipment written off	90	-
Gain on disposal of property, plant and equipment	(1,291)	(417)
Fair value loss/(gain) arising on financial assets designated as FVTPL	81	(81)
Operating cash flows before movements in working capital	14,580	10,522
Trade receivables	(2,753)	(1,131)
Other receivables and prepayments	876	(933)
Inventories	15,157	4,717
Trade payables	57	261
Other payables	1,658	(179)
Cash generated from operations	29,575	13,257
Income tax paid	(1,335)	(517)
Purchase of property, plant and equipment	(17,518)	(20,896)
<b>Net cash from/(used in) operating activities</b>	<b>10,722</b>	<b>(8,156)</b>
<b>Cash flows from investing activities</b>		
Interest received	1,120	337
Purchase of property, plant and equipment	(5,580)	(307)
Purchase of financial assets designated as FVTOCI	(500)	-
Proceeds from disposal of property, plant and equipment	5,849	449
Proceeds from disposal of financial assets designated as FVTPL	1,800	-
<b>Net cash from investing activities</b>	<b>2,689</b>	<b>479</b>
<b>Cash flows from financing activities</b>		
Bills payable	(1,135)	1,135
Interest paid	(183)	(64)
Payment of dividends to owners of the Company	(3,969)	(5,671)
Repayment of lease liabilities	(2,878)	(890)
Proceeds from hire purchase facilities	3,328	3,363
Purchase of treasury shares	(1,747)	-
<b>Net cash used in financing activities</b>	<b>(6,584)</b>	<b>(2,127)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,827</b>	<b>(9,804)</b>
Cash and cash equivalents at beginning of the period	38,051	48,018
Effect of exchange rate changes on the balance of cash held in foreign currencies	(240)	(163)
<b>Cash and cash equivalents at end of the year</b>	<b>44,638</b>	<b>38,051</b>

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Consolidated Financial Statements

### 1. Corporate Information

Sin Heng Heavy Machinery Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed consolidated financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the "Group").

The primary activities of the Company are those of hiring and dealing in cranes and heavy machinery and provision of facilities and custody services.

### 2. Basis of Preparation

#### 2.1. Statement of compliance

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2022.

In the current financial period, the Group has adopted all the new and revised SFRS(I) that are relevant to its operations and effective for annual periods beginning on 1 January 2023. The Group did not have to change its accounting policy or make retrospective adjustments as a result of adopting these standards.

The condensed financial statements are expressed in Singapore dollars which is the Company's functional currency.

#### 2.2. Basis of measurement

The condensed financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

#### 2.3. Uses of estimates and judgements

The preparation of the condensed financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.



# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Consolidated Financial Statements (cont'd)

### 2. Basis of Preparation (cont'd)

#### 2.3. Uses of estimates and judgements (cont'd)

- (a) Critical judgements in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, except for those involving estimation uncertainties as disclosed below.

- (b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are discussed below:

#### Impairment of cranes and aerial lifts classified as property, plant and equipment

The management will assess whether there are any indicators of impairment of its cranes and aerial lifts classified as property, plant and equipment ("PPE"). For those PPE where there are indicators, the management estimates the recoverable amounts of such assets to determine the extent of the impairment loss, if any. The recoverable amounts of such assets are determined based on value in use calculations which require the use of key estimates such as utilisation rates and discount rate.

#### Allowance for inventories

In determining the net realisable value of the cranes and aerial lifts classified as inventories, an estimation of the recoverable amount of inventories on hand is performed by management based on the most reliable evidence available at the time the estimates are made. Management judgement regarding future market and economic conditions is involved in determining the net realisable value of inventories.

#### Allowance for trade receivables

Management judgement is required in assessing the ultimate realisation of the trade receivables. This involves an assessment of the Group's historical loss rates and estimates of expected future loss rates, management's assessment of forward looking macro-economic factors and the eventual expected credit losses in accordance with SFRS(I) 9.

### 3. Segment and Revenue Information

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their goods and services. This forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating segments* as follows:

Operating segments are segregated into a single reportable operating segment if they have similar economic characteristics, such as long-term average gross margins, and are similar in respect of nature of services and processes, type of customers, methods of distribution, and/or their reported revenue, absolute amount of profit or loss and assets are not material to the consolidated totals of all operating segments.

The Group's reportable operating segments are as follows:

- Segment 1: Equipment Rental
- Segment 2: Trading

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Consolidated Financial Statements (cont'd)

### 3. Segment and Revenue Information (cont'd)

Segment revenue represents revenue generated from external customers. Segment profits represents the profit earned by each segment after allocating selling expenses. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

#### 3.1. Reportable segments

	<b>Group</b>		
	<b>Equipment Rental S\$'000</b>	<b>Trading S\$'000</b>	<b>Total S\$'000</b>
<b>6 months ended 31 December 2023</b>			
Segment revenue	15,474	16,020	31,494
Segment profit	5,270	4,028	9,298
Selling expenses	(86)	(88)	(174)
Other operating income			1,949
Administrative expenses			(5,382)
Other operating expenses			(226)
Finance costs	(95)	(4)	(99)
<b>Profit before tax</b>			<b>5,366</b>
Income tax expenses			(683)
<b>Profit for the period</b>			<b>4,683</b>
<b>Other information</b>			
Capital expenditure	(12,277)	-	(12,277)
Depreciation expense	(3,092)	(189)	(3,281)
Impairment loss on financial assets	(177)	-	(177)
Property, plant and equipment written off	(24)	-	(24)
Gain on disposal of property, plant and equipment	921	-	921
<b>6 months ended 31 December 2022</b>			
Segment revenue	13,582	11,490	25,072
Segment profit	3,811	2,746	6,557
Selling expenses	(166)	(143)	(309)
Other operating income			995
Administrative expenses			(5,113)
Other operating expenses			65
Finance costs	(33)	(5)	(38)
<b>Profit before tax</b>			<b>2,157</b>
Income tax expenses			(257)
<b>Profit for the period</b>			<b>1,900</b>
<b>Other information</b>			
Capital expenditure	(15,247)	-	(15,247)
Depreciation expense	(3,345)	(209)	(3,554)
Reversal of impairment loss on financial assets	56	-	56
Gain on disposal of property, plant and equipment	145	-	145

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Consolidated Financial Statements (cont'd)

### 3. Segment and Revenue Information (cont'd)

#### 3.1. Reportable segments (cont'd)

	Group		
	Equipment Rental S\$'000	Trading S\$'000	Total S\$'000
<b>12 months ended 31 December 2023</b>			
Segment revenue	30,712	35,518	66,230
Segment profit	9,963	8,469	18,432
Selling expenses	(184)	(212)	(396)
Other operating income			2,979
Administrative expenses			(10,473)
Other operating expenses			(585)
Finance costs	(175)	(8)	(183)
<b>Profit before tax</b>			<b>9,774</b>
Income tax expenses			(1,779)
<b>Profit for the period</b>			<b>7,995</b>
<b>Other information</b>			
Capital expenditure	(22,987)	(111)	(23,098)
Depreciation expense	(6,332)	(392)	(6,724)
Impairment loss on financial assets	(201)	-	(201)
Bad debts written off	(86)	-	(86)
Property, plant and equipment written off	(90)	-	(90)
Gain on disposal of property, plant and equipment	1,291	-	1,291
<b>12 months ended 31 December 2022</b>			
Segment revenue	27,301	24,269	51,570
Segment profit	7,846	4,993	12,839
Selling expenses	(253)	(224)	(477)
Other operating income			1,512
Administrative expenses			(9,290)
Other operating expenses			(125)
Finance costs	(53)	(11)	(64)
<b>Profit before tax</b>			<b>4,395</b>
Income tax expenses			(744)
<b>Profit for the period</b>			<b>3,651</b>
<b>Other information</b>			
Capital expenditure	(22,399)	(4)	(22,403)
Depreciation expense	(6,673)	(418)	(7,091)
Reversal of impairment loss on financial assets	69	-	69
Gain on disposal of property, plant and equipment	417	-	417

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Consolidated Financial Statements (cont'd)

### 3. Segment and Revenue Information (cont'd)

#### 3.2. Segment assets and liabilities

	Group		
	Equipment Rental S\$'000	Trading S\$'000	Total S\$'000
<b>2023</b>			
Segment assets	64,186	16,709	80,895
Unallocated corporate assets			46,935
<b>Total assets</b>			<b>127,830</b>
Segment liabilities	8,084	1,680	9,764
Unallocated corporate liabilities			11,863
<b>Total liabilities</b>			<b>21,627</b>
<b>2022</b>			
Segment assets	65,046	17,648	82,694
Unallocated corporate assets			43,002
<b>Total assets</b>			<b>125,696</b>
Segment liabilities	7,444	1,818	9,262
Unallocated corporate liabilities			11,694
<b>Total liabilities</b>			<b>20,956</b>

#### 3.3. Disaggregation of revenue

	Group		
	Equipment Rental S\$'000	Trading S\$'000	Total S\$'000
<u>Geographical information</u>			
<b>6 months ended 31 December 2023</b>			
Singapore	15,000	5,954	20,954
Indonesia	-	6,670	6,670
Malaysia	474	845	1,319
Taiwan	-	1,380	1,380
Japan	-	1,085	1,085
Others	-	86	86
Total revenue	15,474	16,020	31,494
<b>6 months ended 31 December 2022</b>			
Singapore	11,811	5,651	17,462
Indonesia	-	2,305	2,305
Malaysia	1,577	690	2,267
Myanmar	194	-	194
Taiwan	-	2,515	2,515
Others	-	329	329
Total revenue	13,582	11,490	25,072

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## E. Notes to the Condensed Consolidated Financial Statements (cont'd)

### 3. Segment and Revenue Information (cont'd)

#### 3.3. Disaggregation of revenue (cont'd)

	<b>Group</b>		
	<b>Equipment Rental S\$'000</b>	<b>Trading S\$'000</b>	<b>Total S\$'000</b>
<u>Geographical information</u>			
<b>12 months ended 31 December 2023</b>			
Singapore	28,852	13,189	42,041
Indonesia	-	10,968	10,968
Malaysia	1,860	1,744	3,604
Taiwan	-	6,913	6,913
Japan	-	2,588	2,588
Others	-	116	116
Total revenue	<b>30,712</b>	<b>35,518</b>	<b>66,230</b>
<b>12 months ended 31 December 2022</b>			
Singapore	23,906	10,714	34,620
Indonesia	-	5,838	5,838
Malaysia	2,599	862	3,461
Myanmar	796	-	796
Taiwan	-	6,526	6,526
Others	-	329	329
Total revenue	<b>27,301</b>	<b>24,269</b>	<b>51,570</b>

#### 3.4. Seasonal operation

The Group's businesses are not affected significantly by seasonal or cyclical factors during the current financial period.

#### 3.5. Major customers information

There was two customers which contributed more than 10 percent to the revenue of the Group (2022: One).

#### 3.6. Breakdown of sales

	<b>Group</b>		
	<b>FY2023 S\$'000</b>	<b>FY2022 S\$'000</b>	<b>Increase/ (Decrease)</b>
(a) Revenue report for first half year	<b>34,736</b>	26,498	31.1%
(b) Operating profit after tax before deducting non-controlling interest reported for first half year	<b>3,312</b>	1,751	89.1%
(c) Revenue report for second half year	<b>31,494</b>	25,072	25.6%
(d) Operating profit after tax before deducting non-controlling interest reported for second half year	<b>4,683</b>	1,900	146.5%

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### E. Notes to the Condensed Consolidated Financial Statements (cont'd)

#### 4. Income Tax Expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	<b>Group</b>			
	<b>6 months ended 31 Dec 2023</b>	6 months ended 31 Dec 2022	<b>12 months ended 31 Dec 2023</b>	12 months ended 31 Dec 2022
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
Current income tax (expense)/benefit	<b>(1,688)</b>	234	<b>(2,784)</b>	(253)
Deferred income tax expense relating to origination and reversal of temporary differences	<b>1,005</b>	(491)	<b>1,005</b>	(491)
	<b>(683)</b>	(257)	<b>(1,779)</b>	(744)

#### 5. Profit Before Income Tax

	<b>Group</b>			
	<b>6 months ended 31 Dec 2023</b>	6 months ended 31 Dec 2022	<b>12 months ended 31 Dec 2023</b>	12 months ended 31 Dec 2022
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
<b>Profit for the year has been arrived at after charging/(crediting):</b>				
Depreciation of property, plant and equipment	<b>3,145</b>	3,416	<b>6,452</b>	6,825
Depreciation of right-of-use assets	<b>136</b>	137	<b>272</b>	266
Impairment loss/(reversal of impairment loss) on financial assets	<b>177</b>	(56)	<b>201</b>	(69)
Bad debts written off	<b>86</b>	-	<b>86</b>	-
Currency exchange gain - net	<b>(194)</b>	(137)	<b>(264)</b>	(107)
Gain on disposal of property, plant and equipment	<b>(921)</b>	(145)	<b>(1,291)</b>	(417)
Fair value loss/(gain) arising on financial assets designated as FVTPL	<b>5</b>	(3)	<b>81</b>	(81)
Interest expense	<b>99</b>	38	<b>183</b>	64
Interest income	<b>(604)</b>	(251)	<b>(1,120)</b>	(337)
Property, plant and equipment written-off	<b>24</b>	-	<b>90</b>	-
Unrealised fair value (gain)/loss from derivative financial instruments	<b>(174)</b>	(146)	<b>(136)</b>	38

#### 6. Property, Plant and Equipment

During the financial year, the Group acquired property, plant and equipment amounting to S\$23.1 million (2022: S\$22.4 million) and disposed of assets amounting to S\$4.6 million (2022: S\$0.1 million).

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### E. Notes to the Condensed Consolidated Financial Statements (cont'd)

#### 7. Right-of-Use Assets

The Group leases leasehold property and dormitory units and recognises as right-of-use ("ROU") assets. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

#### 8. Financial Instruments

	Group		Company	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
Financial assets at amortised cost	57,129	48,769	36,986	38,655
Financial assets measured at FVTPL	349	2,230	349	2,230
Financial assets measured at FVTOCI	700	-	700	-
	<b>58,178</b>	<b>50,999</b>	<b>38,035</b>	<b>40,885</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	5,733	5,172	16,508	18,675
Lease liabilities	8,720	8,270	8,720	8,270
Derivative financial instruments	2	138	2	138
	<b>14,455</b>	<b>13,580</b>	<b>25,230</b>	<b>27,083</b>

Financial assets measured at FVTPL is classified under Level 1 fair value measurements where the fair value is determined by reference to the quoted price (unadjusted) in active market for identical assets. The investments are measured in accordance with SFRS(I) 9, as they represent an identified portfolio of investments which the Group and Company manage together with an intention of profit taking when the opportunity arises.

Financial assets measured at FVTOCI is classified under Level 3 fair value measurements where the fair value is determined based on the last transaction price.

#### 9. Aggregate Amount of Group's Borrowings and Debt Securities

	Group		Company	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	2,914	2,038	2,914	2,038
Unsecured	-	1,135	-	1,135
<u>Amount repayable after one year</u>				
Secured	5,806	6,232	5,806	6,232
Unsecured	-	-	-	-

As at 31 December 2023, the Group's lease liabilities of S\$8.7 million were secured over the Group's right-of-use assets and certain plant and equipment with carrying values of S\$3.3 million and S\$11.7 million, respectively.

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### E. Notes to the Condensed Consolidated Financial Statements (cont'd)

#### 10. Share Capital

	Number of shares	
	As at 31 Dec 2023	As at 31 Dec 2022
Total number of issued ordinary shares	114,888,980	114,888,980
Less: Treasury shares	(5,165,480)	(1,475,980)
Total number of issued ordinary shares (excluding treasury shares)	<b>109,723,500</b>	113,413,000

As at 31 December 2023, there are 5,165,480 (31 December 2022 : 1,475,980) shares held as treasury shares against the total number of issued shares excluding treasury shares of 109,723,500 (31 December 2022 : 113,413,000).

There were no outstanding convertibles as at 31 December 2023 and 31 December 2022.

#### 11. Treasury Shares

	Number of shares	
	2023	2022
At beginning of the year	1,475,980	1,475,980
Repurchase of shares	3,689,500	-
At end of the year	<b>5,165,480</b>	1,475,980

As at 31 December 2023, the number of treasury shares represented 4.5% (31 December 2022 : 1.3%) of the total number of issued shares.

No treasury shares were sold, transferred, disposed, cancelled and/or used as at the end of the current financial period reported on.

#### 12. Earnings Per Share

	Group			
	6 months ended 31 Dec 2023	6 months ended 31 Dec 2022	12 months ended 31 Dec 2023	12 months ended 31 Dec 2022
EPS based on weighted average number of ordinary shares on issue (cents)	4.20	1.68	7.12	3.22
On a fully diluted basis (cents)	4.20	1.68	7.12	3.22
Weighted average number of ordinary shares in issue ('000)	<b>111,251</b>	113,413	<b>112,232</b>	113,413

There were no potential dilutive ordinary shares in existence for the periods from 1 January 2023 to 31 December 2023 and 1 January 2022 to 31 December 2022.



## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### E. Notes to the Condensed Consolidated Financial Statements (cont'd)

#### 13. Net Asset Value Per Share

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Dec 2023</b>	As at 31 Dec 2022	<b>As at 31 Dec 2023</b>	As at 31 Dec 2022
Net asset value per ordinary share (cents)	<b>96.79</b>	92.35	<b>66.51</b>	66.80
Ordinary shares at the end of the current financial period and immediately preceding financial year ('000)	<b>109,724</b>	113,413	<b>109,724</b>	113,413

#### 14. Dividends

	<b>Group and Company</b>	
	<b>As at 31 Dec 2023</b>	As at 31 Dec 2022
	<b>S\$'000</b>	S\$'000
<u>Total annual dividend:</u>		
(a) Ordinary	<b>5,486</b>	3,969
(b) Preference	-	-
(c) Total	<b>5,486</b>	3,969

The Directors of the Company recommend that a tax-exempt one-tier first and final dividend and special dividend of 5.0 cents (2022: 3.5 cents) per ordinary share, totalling S\$5,486,000 (2022: S\$3,969,000) be proposed in respect of the financial year ended 31 December 2023. The proposed dividends are subject to approval by Shareholders at the forthcoming Annual General Meeting and hence the proposed dividends have not been accrued as a liability as at the end of the reporting period.

#### 15. Subsequent Events

There are no known subsequent event which have led to adjustments to this set of condensed interim financial statements.

**Other Information Required by Listing Rule  
Appendix 7.2**

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION

### 1. Review

The consolidated statement of financial position of Sin Heng Heavy Machinery Limited and its subsidiaries as at 31 December 2023 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed.

### 2. Review of performance of the Group

#### INCOME STATEMENT

##### Revenue

	Group			Group		
	6 months			Year to date		
	2H FY2023	2H FY2022	% Change	12M FY2023	12M FY2022	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment Rental business	15,474	13,582	13.9%	30,712	27,301	12.5%
Trading business	16,020	11,490	39.4%	35,518	24,269	46.4%
<b>Total</b>	<b>31,494</b>	<b>25,072</b>	<b>25.6%</b>	<b>66,230</b>	<b>51,570</b>	<b>28.4%</b>

The Group registered a total revenue of S\$31.5m in 2H FY2023, which was 25.6% higher than 2H FY2022. Total revenue of S\$66.2m for 12M FY2023 was 28.4% higher as compared to 12M FY2022. The increase was mainly due to higher revenue generated from both business segments.

Revenue from Equipment Rental business increased by 13.9% to S\$15.5m in 2H FY2023 and increased by 12.5% to S\$30.7m in 12M FY2023 as compared to the corresponding periods in FY2022 respectively. The increase was mainly due to improved contribution from our Singapore's operations.

Revenue from Trading business increased by 39.4% to S\$16.0m in 2H FY2023 and increased by 46.4% to S\$35.5m in 12M FY2023 as compared to the corresponding periods in FY2022 respectively. The overall increase was mainly due to the increase in the number of cranes sold by the Malaysia entity, as a result of streamlining the Equipment Rental business in Malaysia during the period.

##### Gross Profit

	Group			Group		
	6 months			Year to date		
	2H FY2023	2H FY2022	% Change	12M FY2023	12M FY2022	% Change
	S\$'000	S\$'000		S\$'000	S\$'000	
Equipment Rental business	5,270	3,811	38.3%	9,963	7,846	27.0%
Trading business	4,028	2,746	46.7%	8,469	4,993	69.6%
<b>Total</b>	<b>9,298</b>	<b>6,557</b>	<b>41.8%</b>	<b>18,432</b>	<b>12,839</b>	<b>43.6%</b>

The Group registered a total gross profit of S\$9.3m in 2H FY2023 which was 41.8% higher than 2H FY2022. Total gross profit for 12M FY2023 was S\$18.4m and 43.6% higher as compared to 12M FY2022 mainly due to higher contribution from both the Group's Equipment Rental and Trading businesses. Gross profit margin for both business segments have steadily increased from FY2022 to FY2023.

The Group registered a gross profit of S\$5.3m from Equipment Rental business in 2H FY2023 which was 38.3% higher than 2H FY2022. The gross profit for 12M FY2023 was S\$10.0m and 27.0% higher as compared to 12M FY2022. The increase in FY2023 was mainly attributed to the increased level of activities in the Singapore operation.

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION

### 2. Review of performance of the Group (cont'd)

#### INCOME STATEMENT (cont'd)

##### Gross Profit (cont'd)

The Group registered a gross profit of S\$4.0m from Trading business in 2H FY2023 which was 46.7% higher than 2H FY2022. The gross profit for 12M FY2023 was S\$8.5m and 69.6% higher as compared to 12M FY2022. The increase was due to higher trading activities that commanded higher margin transactions.

##### Other Operating Income

Other operating income increased by S\$1.0m and S\$1.5m in 2H FY2023 and 12M FY2023 respectively as compared to the corresponding prior periods in FY2022 respectively. The overall increase for 12M FY2023 was mainly due to the gain on disposal of property, plant and equipment and higher interest income earned during the period.

##### Selling Expenses

Selling expenses decreased by S\$0.1m in both 2H FY2023 and 12M FY2023 as compared to the corresponding prior periods in FY2022 respectively. The decrease was mainly due to improved efficiency in the sales process and streamlined operations, which have reduced the overall cost of selling.

##### Administrative Expenses

Administrative expenses increased by S\$0.3m and S\$1.2m in 2H FY2023 and 12M FY2023 respectively as compared to the corresponding prior periods in FY2022 respectively. The increase was mainly due to increase in directors and staff related expenses and higher professional fees.

##### Other Operating Expenses

Other operating expenses increased by S\$0.3m and S\$0.5m in 2H FY2023 and 12M FY2023 respectively as compared to the corresponding period periods in FY2022 respectively. The increase was mainly due to write off of property, plant and equipment and bad debts.

##### Finance Costs

Finance costs increased by S\$0.1m in both 2H FY2023 and 12M FY2023 respectively as compared to the corresponding prior periods in FY2022 respectively. The increase was mainly due to obtaining of additional hire purchase financing for the purchase of new cranes.

##### Income Tax Expense

The Group recorded an income tax expense in 12M FY2023, mainly due to provision of current tax expenses for 12M FY2023.

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION

### 2. Review of performance of the Group (cont'd)

#### STATEMENT OF FINANCIAL POSITION

##### Current Assets

As at 31 December 2023, current assets amounted to S\$61.6m or 48% of total assets. Current assets mainly comprise of cash and bank balances, trade and other receivables and inventories. Total current assets increased by S\$3.8m as compared to 31 December 2022 mainly due to increase in cash and bank balances and trade receivables, which was partially offset by decrease in other receivables and inventories and disposal of financial assets at fair value through profit or loss.

##### Non-Current Assets

As at 31 December 2023, non-current assets amounted to S\$66.2m or 52% of total assets. Non-current assets mainly comprise of property, plant and equipment and right-of-use assets. Total non-current assets decreased by S\$1.7m as compared to 31 December 2022 mainly due to decrease in property, plant and equipment, partially offset by an investment in financial assets at fair value through other comprehensive income.

##### Current Liabilities

As at 31 December 2023, current liabilities amounted to S\$10.0m or 46% of total liabilities. Current liabilities mainly comprise of trade and other payables and current portion of lease liabilities. Total current liabilities increased by S\$2.3m as compared to 31 December 2022, mainly due to increase in other payables, income tax payable and drawdown of new lease liabilities (hire purchase), offset by a decrease in bills payable.

##### Non-Current Liabilities

As at 31 December 2023, non-current liabilities amounted to S\$11.7m or 54% of total liabilities. Non-current liabilities comprise of the non-current portion of lease liabilities and deferred tax. Total non-current liabilities decreased by S\$1.6m as compared to 31 December 2022, mainly due to reversal of deferred tax liabilities.

##### Working Capital

As at 31 December 2023, the Group registered a positive working capital of S\$51.7m as compared to that of S\$50.1m as at 31 December 2022.

##### Equity

As at 31 December 2023, the Group's total equity stood at S\$106.2m. Total equity increased by S\$1.5m as compared to 31 December 2022, mainly due to fair value gain on financial assets at FVTOCI and profit generated for the year, partially offset against the purchase of treasury shares and payment of dividend.

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION

### 2. Review of performance of the Group (cont'd)

#### STATEMENT OF CASH FLOWS

The Group's net cash generated from operating activities in 12M FY2023 was S\$10.7m. This comprised positive operating cash flows before changes in working capital of S\$14.6m, adjusted by a decrease in net working capital flow of S\$2.6m and income tax paid of S\$1.3m.

Net cash from investing activities was S\$2.7m in 12M FY2023. This was mainly due to the proceeds from disposal of property, plant and equipment of S\$5.8m, proceeds from disposal of financial assets designated at fair value through profit or loss of S\$1.8m and interest received of S\$1.1m, offset by the cash outlay for the purchase of property, plant and equipment of S\$5.5m and purchase of financial assets designated at fair value through other comprehensive income of S\$0.5m.

Net cash used in financing activities was S\$6.6m in 12M FY2023. This was mainly due to the dividend paid of S\$4.0m, purchase of treasury shares of S\$1.7m, repayment of bills payable of S\$1.1m, repayment of lease liabilities of S\$2.9m and interest expenses of S\$0.2m, offset by drawdown of lease liabilities of S\$3.3m.

### 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast, or any prospect statement previously disclosed to shareholders.

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operated and any known factors or events that may affect the Group in the next operating period and the next 12 months

In the most recent media release by Building and Construction Authority ("BCA") dated 15 January 2024, it forecasted that the construction demand in Singapore for 2024 is anticipated to be in the range of S\$32 billion to S\$38 billion, surpassing the figures recorded in 2023. The public sector is expected to play a significant role, contributing approximately 60 percent to the total construction demand, amounting to a range of S\$18 billion to S\$21 billion. This projection is grounded in the expectation of sustained strength in civil engineering construction demand, supported by ongoing projects such as the construction of Singapore's MRT lines and other infrastructures works.

The Malaysian operation is anticipated to remain challenging due to the slower economic growth in 2024. In response, the Group had proactively streamlined the rental business, which is progressing well. As part of this strategic shift, the focus of the Malaysian operation will be redirected towards the trading business.

In view of the aforementioned factors and coupled with the impact of rising inflationary pressures, the Group intends to maintain a prudent cash management strategy while actively exploring additional business opportunities.

# SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION

### 5. Dividend information

(a) Current Financial Period Reported on

Yes.

Name of Dividend: First and Final, Special

Dividend type: Cash

Dividend amount per share (cents): 1.0 cents (first and final) and 4.0 cents (special)

Tax rate: Tax exempt (one-tier)

The final dividends are subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

(b) Corresponding Period of the Immediate Preceding Financial Year

Yes.

Name of Dividend: First and Final, Special

Dividend type: Cash

Dividend amount per share (cents): 1.0 cents (first and final) and 2.5 cents (special)

Date payable: 12 May 2023

Book closure date: 4 May 2023

(c) Date Payable

To be announced later.

(d) Book Closure Date

To be announced later.

### 6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There were no interested person transactions exceeding S\$100,000 during the period under review.

### 7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

## SIN HENG HEAVY MACHINERY LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION

#### 8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was held	Details in changes in duties and position held, if any, during the year
Tan Cheng Soon, Don	56	Son of Executive Director & CEO Mr Tan Ah Lye, and brother of Executive Directors Mr Tan Cheng Guan and Mr Tan Cheng Kwong (Cheng Qingguang)	Director of Operations in charge of the Singapore rental division (with effect from 01/07/2016)  Director of SH Equipment Pte. Ltd. (with effect from 14/03/2012)  Director of SH Equipment (Myanmar) Co. Ltd. (with effect from 25/10/2012)  Director of Sin Heng Aerial Lifts Pte. Ltd. (with effect from 29/11/1994)  Director of Sin Heng Vina Company Limited (with effect from 19/05/2009)	n/a

BY ORDER OF THE BOARD

Tan Ah Lye  
 Executive Director and CEO  
 28 February 2024